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SOURCE Chieh-fang Jih-pao.DISCUSSES STRUGGLES OF RUBBER INDUSTRY

Shanghai -- Following the bombings of 6 February 1950, the Shanghai rubber industry has met with increasing trouble, aggravated by adamant management, blocked markets, etc. But both labor and management can clearly recognize the temporary nature of their difficulties and they expect to overcome the problem by cutting wages, setting up shifts, and periodically laying off workers for specified periods.

There are 103 rubber plants in Shanghai, mostly privately operated, and they employ a total of 13,891 persons. The whole industry boasts 490 vulcanizing machines, and the essential products include tires and inner tubes, flat and tubular belting, and hoses, for automobiles, pedicabs, rickshas, and bicycles, as well as all kinds of shoes, boots, and medical equipment. Under normal production conditions, the monthly requirement is 1,700 to 1,900 tons of crude rubber, 140,000 gallons of gasoline, and over 2 million kilowatts of electricity.

The industry depends on imports from foreign countries for most of the essential raw materials. Consequently, there was a short period following the liberation which was marked by a dearth of both raw materials and markets. In the process of counteracting the blockade, the industry maintained full-scale business, while producing at only 30-percent capacity. By the autumn of 1949, the industry had received a large number of purchase orders from the trade corporation, and had obtained raw materials rationed by the government. New grain then came on the market and the situation took a considerable turn for the better. December data showed 73 companies in operation, while January schedules indicated that production had recovered to around 70 percent of normal.

The 6 February bombings added to the industry's temporary difficulties and 90 percent of the plants closed for a time because electric power was unavailable and marketing lanes were closed. In a relentless effort to counteract the bombing attacks, the workers agreed to do more than their share and asked the management to rehabilitate the electrical generating equipment. Up to the present, some 20 companies, including the Ta-chung-hua (Greater China) and the Cheng-t'ai, have either resumed partial operations or are running on an intermittent schedule (2 days, 4 nights). March output reached 30-50 percent of the prebombing figures.

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In the past, the rubber industry had relied on imperialism for its existence; as a consequence, these present temporary difficulties are all the more severe. The primary impediment is the blocking of markets. Formerly, the industry had its main marketing outlets at each major city along the Shanghai-Ning-po, Shanghai-Hangchow, and Kiangsi-Chekiang coastlines, as well as at Hankow, Ch'ang-sha, and in the Northeast districts. At present, however, land reforms have not been fully achieved and purchasing power throughout the vast agricultural areas has yet to be raised. Consequently, the industry depends solely on the limited market in a few municipalities.

Meanwhile, production continues to advance, even to the point where output has temporarily exceeded the demand and the market is off balance. According to data taken at the five Ta-chung-hua plants between 13 and 18 March, the average amount marketed came to only 37.5 percent of the output. Merchandise has gradually piled up and working capital is at a premium. Furthermore, most raw materials are transshipped from North China into Shanghai. But, since prices in Shanghai are higher than in North China, some plants catering especially to North China have been adversely affected.

After 6 February 1950, the workers came to understand their difficulties and began to devise all sorts of schemes to save expenses for management. During the stoppage of electricity at Ta-chung-hua, the workmen effected a compromise and suggested a cut in the wages of workers paid on a daily or monthly basis, a cut in the minimum wage for workers doing piecework (no pay on Sundays), and an over-all reduction of the amount of subsidized rice, from 5 pecks down to 3.75 pecks. There was unanimous agreement at the Cheng-hua Rubber Plant that the year-end bonus should be reduced, in due consideration of management.

The Cheng-t'ai labor union also instigated discussions among the workers on plant problems and the workers decided to work one hour overtime with no increase in wages over the regular pay scale. Production has risen considerably since this plan was put in effect in March. At the Nan-yang Rubber Plant, committees have been organized on production and administrative affairs to cooperate with management in lowering wages and setting up a revolving system of group lay-offs to cope with the shortage of raw materials and guarantee self-sufficiency.

On 24 March, the industry formed a labor-management cooperation committee so that both sides could meet together and clarify the present temporary difficulties. They have convened nine times to discuss the various problems. At the I-sheng Plant, male workers' wages were dropped from .96 to .70 yuan per hour and female workers' wages were lowered from .606 to .5 yuan, to maintain continuous production. To guarantee steady production at the No 2 Plant, the Hung-ta Company has laid off workers at the No 1 and No 3 Plants according to a fixed schedule and is handing out 6 pecks of rice per man per month.

There are still a few plants, such as the Chin-kang and the Hung-hsing, where the management, lacking faith to overcome the difficulties, have shirked their responsibility, with no regard for production. In certain other plants, discipline among the workers is lax. At the Ts-chung-hua No 5 Plant, losses in returned merchandise amounted to 36,000 rubber boots. Such phenomena impede the solution of the temporary problems and must be rectified. If labor and management will cooperate on an equitable basis of mutual benefit, and work out their problems together by democratic principles, the difficulties can be conquered and, following the achievement of land reforms, the needs of the vast agricultural areas will be served.

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